

## Message Text

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ACTION EUR-12

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FM USMISSION USNATO  
TO SECSTATE WASHDC PRIORITY 0154  
INFO AMEMBASSY PARIS

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PARIS FOR USOECD

E. O. 11652: N/A  
TAGS: AORG, NATO, OECD  
SUBJECT: MARCH CCG MEETING

REF: CCG/A(78)3

1. CCG/W(78)6 - COST-OF-LIVING (COL) ADVANCE ON SALARY  
TO BE EFFECTIVE JANUARY 1, 1978. DOCUMENT NOT HAVING  
BEEN RECEIVED IN TIME TO REPORT TO CAPITALS AND OBTAIN  
INSTRUCTIONS, AND WITH INDICES MISSING FOR FOUR COUNTRIES,  
DISCUSSION POSTPONED TO APRIL MEETING OVER INSISTENCE OF  
SECSGEN'S SPOKESMAN THAT DECISION BE TAKEN IMMEDIATELY.

2. IN MORNING'S PRIVATE DELEGATES' MEETING, AFTER  
RELUCTANCE EXPRESSED TO GRANTING AN ADVANCE ON A COL  
INDEX INCREASE OF LESS THAN ONE PCT, PREFERENCE DEVELOPED  
FOR A THRESHHOLD OF THREE PCT, AND GRANTING 100 PCT OF  
THE DIFFERENCE. THIS METHOD WOULD ELIMINATE ANY  
RELATIONSHIP TO LAST 1977 COL ADVANCE, AND WOULD BENEFIT  
MOST THE EMPLOYEES IN TURKEY AND SPAIN, BUT EMPLOYEES  
IN SEVEN COUNTRIES ON THE INCOMPLETE LIST WOULD RECEIVE  
NO ADVANCE.

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3. THE THRESHHOLD PROPOSAL WILL DISPLEASE BOTH THE REPS  
OF THE SECSGEN AND STAFF ASSOCIATION. CCG REPS  
UNDERSTAND USG WILL NOT GRANT FULL 100 PCT ADVANCE COL  
ADJUSTMENT. SINCE DESIRE EXPRESSED TO TAKE FINAL  
DECISION AT NEXT MEETING AND TO PERMIT FLEXIBILITY  
DURING THE DISCUSSION, DEPARTMENT'S INSTRUCTIONS

REQUESTED PRIOR TO APRIL 7 ON FOLLOWING:

- IF THRESHHOLD IS ACCEPTED, AUTHORIZATION TO GRANT  
100 PCT OF DIFFERENCE;

- IF THRESHHOLD UNACCEPTABLE, MAXIMUM PERCENTAGE WHICH  
COULD BE GRANTED FOR PAYMENT TO ALL GRADES.

4. CCG/W(78)7 - PENSION SCHEME PROCEDURE. WORKING PARTY  
(WP)/11 PRESENTED ITS PROPOSAL THAT ARTICLE 36 OF THE  
PENSION SCHEME RULES MEANT CURRENT AND DEFERRED PENSIONS  
WOULD BE ADJUSTED ON THE SAME DATE AND BY THE SAME  
AMOUNT AS SALARIES OF SERVING STAFF. WP HAD NOT  
ACCEPTED SECSGEN'S PROPOSAL FOR A SAFEGUARD CLAUSE  
LIMITING PURCHASING POWER LOSS TO PENSIONERS. DURING  
LENGTHY DISCUSSION ON LACK OF SAFEGUARD CLAUSE, SWISS  
PENSION EXPERT FONTEYNE POINTED OUT THAT SAFEGUARD  
CLAUSE WOULD HAVE FAVORED OLD PENSIONERS AND CAUSED A  
DISTORTION IN PENSION AMOUNTS, WHICH WAS ELIMINATED  
BY LINKING PENSIONS TO SALARY ADJUSTMENTS. WP HAD  
RECOGNIZED PROBLEMS MIGHT ARISE AND HAD AGREED AD HOC  
MEASURES COULD BE SUGGESTED BY SECSGEN TO REMEDY  
SITUATION.

5. AT REQUEST OF SECSGEN'S REP, DISCUSSION CONTINUED  
MORNING OF MARCH 16, WHEN HE REQUESTED THAT THE WP BE  
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RECONVENED TO CONSIDER A TEXT THAT WOULD PROVIDE  
ASSURANCE THAT SHOULD THERE BE A SUBSTANTIAL EROSION  
OF PURCHASING POWER, A PROCEDURE WOULD BE ENVISAGED  
THAT WOULD RECTIFY THE SITUATION.

6. CCG REPS FELT IT UNNECESSARY THAT WP SHOULD BE  
RECONVENED. CHAIRMAN WAS INSTRUCTED TO WRITE REPORT  
WHICH WOULD INCLUDE STATEMENT THAT AD HOC MEASURES  
COULD BE RECOMMENDED BY SECSGEN SHOULD A PROBLEM  
DEVELOP. CHAIRMAN INDICATED HE WOULD CONFER WITH  
SECSGEN'S REP ON WORDING BEFORE SENDING REPORT TO  
DELEGATIONS PRIOR TO ITS SUBMISSION TO COUNCILS. TEXT  
WILL BE FORWARDED TO DEPARTMENT WHEN RECEIVED.

7. EXTENSION OF OPTION PERIOD: CCG REPS RECOGNIZED  
THAT REPORT ON ARTICLE 36 WOULD NOT BE RECEIVED AND  
ACCEPTED BY ALL COUNCILS PRIOR TO APRIL 30 DEADLINE FOR  
OPTION PERIOD. THEREFORE, AN EXTENSION TO JUNE 30 WAS  
RECOMMENDED AND ACCEPTED. US AGREED AD REFERENDUM.

8. DEPARTMENT IS REQUESTED TO CONFIRM ITS ACCEPTANCE  
OF THIS EXTENSION.

9. DELEGATES RECOGNIZED THAT SHOULD THE QUESTION OF WIDOWS' REVERSIONARY RIGHTS BE APPROVED, A FURTHER EXTENSION MIGHT BE REQUESTED, BUT AGREED IT UNNECESSARY TO EXTEND TO SEPTEMBER 30 AT THIS TIME.

10. CCG/W(78)5 - JOINT PENSIONS ADMINISTRATIVE UNIT. FINAL REPORT OF WORKING PARTY (WP)/15 CONCERNING ESTABLISHMENT AND 1978 BUDGET OF THE JOINT ADMINISTRATIVE UNIT RECEIVED MARCH 15. IT RECOMMENDS ONE STUDY UNIT AT OECD HEADQUARTERS, PARIS, AND TWO COMPUTER UNITS, ONE AT OECD AND ONE AT NATO HEADQUARTERS. THE REPORT

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WAS ACCEPTED BY ALL REPS, WITH US ACCEPTANCE AD  
REFERENDUM.

11. AT REQUEST OF NATO ADMINISTRATIVE OFFICER, WP'S REPORT WILL BE DIVIDED, WITH THE PORTION CONCERNING DRAFT 1978 BUDGET NOT GOING TO COUNCIL, SINCE HE BELIEVED BUDGET PORTION WOULD CREATE CONFUSION.

12. DEPARTMENT REQUESTED TO AUTHORIZE ACCEPTANCE OF THE WP'S REPORT.

13. OTHER BUSINESS - CHAIRMAN PRESENTED DRAFT REPORT, CCG(78)2, NOTIFYING COUNCILS THAT CCG HAD NOT GRANTED ADDITIONAL 20 PCT COL ADVANCE REQUESTED FOR JANUARY 1, 1977. SECSGEN'S SPOKESMAN REQUESTED PARAGRAPH CONCERNING SECSGEN'S VIEWS BE INCLUDED. REPORT BEING REDRAFTED.

14. A SEPARATE MESSAGE FOLLOWS ON PRIVATE MEETINGS OF

CCG DELS.

15. ACTION REQUESTED: AS DETAILED IN PARAGRAPHS 3, 8  
AND 12, THE DEPARTMENT'S INSTRUCTIONS AND CONCURRENCE  
WOULD BE APPRECIATED ASAP.BENNETT

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